



Airport Grant Funding Under the American Recovery and Reinvestment Act (ARRA) of 2009

Questions & Answers

Updated: 10:39 am ET March 16, 2009

[<< Back to Airport Improvement Program](#)

1. How does the FAA define “Ready to Go” projects in the context of projects considered for funding with American Recovery and Reinvestment Act of 2009 (ARRA) resources?

In keeping with the intent of Congress the projects be awarded and completed quickly, projects ultimately financed with ARRA funding must be “Ready-to-Go”. For purposes of airport grant funding under ARRA, “Ready to Go” is defined as a project that:

- Has an environmental determination;
- Has received requisite airspace approvals;
- Appears on the airport’s approved Airport Layout Plan;
- If required, has a completed FAA-approved benefit-cost analysis;
- Has design (plans and specification documentation) substantially complete;
- Will be bid prior to the time of Grant Offer;
- Will be able to issue a Notice to Proceed within 30 calendar days of Grant Offer;
- Is projected to have construction completed no later than February 16, 2011; and
- Has the Sponsor’s certification as to bid and Buy American waivers and Notice to Proceed, Attachment 1 – Airport Sponsor Certification, as part of the project application and within the grant file.

2. What projects are eligible for funding with ARRA funding?

Any project eligible for pure discretionary funds in normal AIP is eligible for consideration in ARRA funding. However, beyond eligibility, the ARRA statute requires that economic recovery funds must supplement and not supplant planned expenditures from airport-generated revenues or from other State and local sources for airport development activities. In other words, ER funds are specifically precluded from being used for projects where there were “planned expenditures from airport-generated revenues or from other State and local sources”. Accordingly, if a project is identified for funding in the normal AIP program in FY-09, it is not eligible for funding under ARRA.

3. These grants are also unique in that they come with a 100 percent federal contribution. What does that mean in terms of segmenting these projects from other AIP projects?

There is a **100% federal share** for this program, meaning that there is no local match required. Accordingly, each grant must identify a useable unit of work that will be 100% funded. The grant may not include normal AIP funds due to the differing percentage of Federal participation.

4. Will amendments to the grant to address project overruns be handled in the same manner as has been the case with normal AIP?

No. While FAA is allowed to fund amendments for overruns, it is unlikely that the overruns will be funded to the maximum allowed by statute, if at all. The reason for this is that due to the differing Federal share percentages associated with ER funding compared to normal AIP, an amendment to an ER funded grant requires that the additional funds must come from available ER funding. Since all ER funded projects will be based on bids, it is unlikely that there will be significant additional ER funding (recoveries due to under-runs on other projects) available for amendments. To the extent that there are recoveries, project recoveries will be directed to amendments for close-outs on a first-come, first-served basis. Additionally, the ARRA statute prohibits the reobligation of recoveries after September 30, 2010. ***Thereafter, the sponsor will be completely responsible for project cost overruns.***

5. The law provides for aggressive timelines for the use of the ER funds. What is expected of airports in terms of bids, contracts, Notices to Proceed, drawdowns, etc.?

Because of the need to maintain critical timelines, there will be additional requirements (certifications) imposed upon Sponsors to assure that projects are bid prior to Grant Offer, Buy American issues are addressed early, Notices to Proceed are issued within 30 days of Grant Offer and projects are proceeding in a timely fashion (as evidenced by regular drawdowns.)

6. What other special grant conditions should airports be aware of?

It is expected that there will be Special Conditions related to Sponsor's responsibility to comply with new reporting requirements required by statute or policy, timeframes for executed contract documents and Notice to Proceed, acknowledgements of FAA's authority to close grants for non-compliance to Special Conditions or other provisions of the American Recovery and Reinvestment Act of 2009, regular contract drawdowns, appropriate actions to complete the projects under grant by February 16, 2011, and acknowledgement of limited abilities to amend the grant.

7. The FAA Economic Recovery guidance at FAA.gov highlights that airports are not allowed to carry over entitlements if they receive ER grants. Please explain this.

One key provision of the Act is that no funds in the Act may supplant any other State or local funds that were to be used on a project. This is critically important for airports. An airport may want to fund a project with ER funds while carrying over their entitlements, in part to access 100% federal funding or to "bank" entitlements for use in future years when funding may be more scarce. However, allowing an airport to carry over entitlements would constitute supplanting funds since their local match would now be eliminated with the 100% ER funding. Therefore, in order to receive ER funding, the sponsor must commit all currently available entitlement to FY-2009 "normal" AIP projects.

8. The FAA has issued guidance outlining a process with the Regions/Airport District Offices (ADO) given significant authority to review projects and make decisions on prioritizing grants. What should airports be doing to make sure they are where they need to be in terms of consultation with Regions/ADO?

The FAA and airport sponsors already use a robust planning process to identify high priority projects that can be ready to go in a given grant year. The process consists of a disciplined three-to-five year process with development needs first identified in 5-year National Plan of Integrated Airport Systems (NPIAS), then actual projects moved to a Region's 3-5 year Airports Capital Improvement Plan (ACIP) with national priorities established, then the Regions' ACIPs are rolled into National ACIP with a high priority threshold for inclusion. Once projects are identified, available funds are distributed to Regions by vetted formula that considers regional needs, type facility and activity. The result is a program of vetted, high priority, *ready-to-go* projects.

The Regions and ADOs have been using this tested approach for normal AIP and now for ARRA project review. To the extent a sponsor feel their Airports Capital Improvement Plan (ACIP) may not fully represent the airports priorities and project status, the sponsor should be contacting their ADO.

9. The law requires that half of the funds be awarded within 120 days of enactment (June 17). Can you explain overall the process for getting the entire \$1.1 billion out to airports?

The FAA, through the process identified above, has identified projects in excess of the funding available via ARRA. The highest priority projects that can move most quickly will be first selected for bid solicitation and grant to assure compliance with the 120-day requirement. The projects needing slightly more time (say, two to eight additional weeks) will follow-on quickly to complete the program.

10. It is understood that there will be intense scrutiny on the distribution and use of ER funding. What can airports expect in terms of additional reporting requirements, etc.?

There is every expectation that the ER program will have an unprecedented level of oversight by the FAA, Department of Transportation, Office of the Inspector General, General Accounting Office, Office of Management and Budget, and the public. Accordingly, to assure the Administration's commitment to transparency, FAA and the airport sponsor must be fastidious in its grant documentation and overall record keeping. Additionally, FAA will be conducting additional sponsor worksite visits to assure project progress, to the extent necessary considering the scale of the project. The sponsor should expect to dedicate additional resources to assuring the special conditions

and additional reporting requirements are complied with.

[Back to top](#)

**This page can be viewed online at:
http://www.faa.gov/airports_airtraffic/airports/aip/arra/**